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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Alfredo Garcia

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EXAMINER

KANG, IRENE S

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/790,639	Applicant(s) GARCIA, ALFREDO	
	Examiner IRENE KANG	Art Unit 3695	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 February 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-58 is/are pending in the application.
- 4a) Of the above claim(s) 1-14 and 38-58 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 15-37 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Restriction/Election

Claims 1-901 are currently pending in the instant application. Applicant's attorney Mr. John Fortkort and Examiner Irene Kang agreed over the phone that the invention and species grouping would be amended from the previous election/restriction office action mailed August 5, 2008. The new grouping would be as follows:

Invention I: Claims 1-13, 101, 201-207, 301-316, and 401-403 drawn to financing the acquisition of an asset or service using a common fund and proceeds from a common fund, classified in class 705, subclass 35.

Species A: Claims 1-13, 101, and 401-403, drawn to allocating proceeds from a common fund on a rotating basis.

Species B: Claims 201-207, and 301-316, drawn to identifying at least one associate who is eligible to receive an award, and distributing the award to that associate in an amount essentially equal to the amount contracted by that associate.

Invention II: Claims 501-505, 701, and 901, drawn to procuring credit from a creditor with a set of underwriting criteria and enrolling the applicant in a rotating credit association, classified in class 705, subclass 35.

Invention III: Claims 601-609, and 801, drawn to qualifying an applicant for a loan, classified in class 705, subclass 35.

During a telephone conversation with Mr. John Fortkort on September 25, 2008 a provisional election was made without traverse to prosecute the invention of claims 201-207 and

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301-316 (renumbered as Claims 15-37, see below) from Invention I, Species B. Affirmation of this election must be made by applicant in replying to this Office action. Claims 1-13, 101, 401-403, 501-505, 601-609, 701-702, 801, and 901 (renumbered as Claims 1-13, 14, and 38-58, see below) are withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention or non-elected species.

Claim Objections

The numbering of claims is not in accordance with 37 CFR 1.126 which requires the original numbering of the claims to be preserved throughout the prosecution. When claims are canceled, the remaining claims must not be renumbered. When new claims are presented, they must be numbered consecutively beginning with the number next following the highest numbered claims previously presented (whether entered or not). Misnumbered claims 101, 201-207, 301-316, 401-403, 501-505, 601-609, 701-702, 801, and 901 have been renumbered 14-58 respectively.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 15-37 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

In reference to Claims 15-36:

Claims 15 and 22 are directed toward the statutory category of a method (process), however according to Supreme Court precedent and recent Federal Circuit decisions, in order to be statutory under 35 USC 101 the process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials to a different state or thing. If neither of these requirements is met by the claim, the method is not a patent eligible process under § 101 and is rejected as being directed toward non-statutory subject matter.

As example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter being transformed, for example by identifying the material being changed to a different state. (Diamond v. Diehr, 450 US 175, 184 (1981); Parker V. Flook, 437 US 584, 588 n.9 (1978); Gottschalk v. Benson, 409 US 63, 70 (1972); Cochrane v Deener, 94 US 780, 787-88 (1876)). Applicant is also directed to MPEP § 2173.05p, providing guidance with respect to reciting a product and process in the same claim and MPEP § 2111.02 [R3] providing guidance with respect to the effect of limitations within the preamble of a claim.

Claims 16-21 depend upon claim 1 and **Claims 23-36** depend on Claim 22 and contain the same deficiencies and do not cure the deficiencies set forth above. Therefore Claims 16-21 and 23-36 are also rejected for being directed to non-statutory subject matter.

In reference to Claim 37:

Claim 37 is directed to a "computer program" which is software *per se*. Software *per se* is considered to be an abstract idea and therefore does not fall within one of the statutory classes of invention set forth in 35 U.S.C. 101. In order to be accepted as statutory subject matter, a computer program must be tangibly embodied on a computer readable medium which when executed appropriately provides functionality. See MPEP 2106.01(I).

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

The term "essentially" in claims 15, 19, 22, and 33 is a relative term which renders the claim indefinite. The term "essentially" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

The term "about" in claims 30 and 34 is a relative term which renders the claim indefinite. The term "about" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

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(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 15-19, 21-24, 32-35, and 37 are rejected under 35 U.S.C. 102(b) as being anticipated by the publication The Economics of Rotating Savings and Credit Associations by Besley et al. (hereinafter *Besley*).

As to Claim 15, *Besley* teaches a method for financing the acquisition of an asset or service for members of a group, comprising the steps of: creating a group of associates, each of whom is contractually obligated to make payments on a first periodic basis to a common fund over a specified term in exchange for receiving an award in a contracted amount at some point during the term; receiving payments from the group of associates; and on a second periodic basis, identifying at least one associate who is eligible to receive an award, and distributing the award to that associate in an amount essentially equal to the amount contracted by that associate; wherein the number of associates in the group is x , wherein the average number of payments that an associate in the group is required to make is n , and wherein $x/n > 1$ (see at least 792, 793, 795, and 796).

As to Claim 16, *Besley* teaches that $x/n \geq 1.5$ (see at least 792, 793, 795, and 796).

As to Claim 17, *Besley* teaches that $x/n \geq 2$ (see at least 792, 793, 795, and 796).

As to Claim 18, *Besley* teaches that $2 \leq x/n \leq 3$ (see at least 792, 793, 795, and 796).

As to Claim 19, *Besley* teaches that the periods of the first and second periodic basis are essentially the same (see at least 792, 793, 795, and 796).

As to Claim 21, *Besley* teaches that the number of associates is within the range of about 200 to about 300, and wherein the average number of payments that an associate in the group is

required to make is within the range of about 96 to about 120 (see at least 792, 793, 795, and 796).

As to Claim 22, *Besley* teaches a method for financing the acquisition of an asset or service for members of a group, comprising the steps of: creating a group of associates, each of whom is contractually obligated to make predetermined monthly payments to a common fund over a specified term in exchange for receiving an award in a contracted amount at some point during the term, wherein the number of associates is within the range of about 200 to about 300, and wherein the fixed term is within the range of about 96 to about 120 months; receiving payments from the group of associates; and on a monthly basis, identifying at least one associate who is eligible to receive an award, and distributing the award to that associate in an amount essentially equal to the amount contracted by that associate (see at least 792, 793, 795, and 796).

As to Claim 23, *Besley* teaches that the fixed term is different for at least two associates in the group (see at least 802 and 803).

As to Claim 24, *Besley* teaches that the contracted amount is different for at least two associates in the group (see at least 802 and 803).

As to Claim 32, *Besley* teaches that the fund is managed by a first organization which takes out a life insurance policy on each associate, and wherein the monthly payment owed by an associate includes the prorated monthly cost of the life insurance premium (see at least 802 and 803).

As to Claim 33, *Besley* teaches that the fund is managed by a first organization which takes out a life insurance policy on each associate, and wherein the monthly payment owed by an associate includes a first component essentially equal to the prorated monthly cost of the life

insurance premium, a second component which is essentially equal to the sum of the contracted amount and an actualization factor divided by the number of months in the term, and a third component which is essentially equal to an administrative fee that varies as a function of the contracted amount (see at least 802 and 803)..

As to Claim 34, *Besley* teaches that the amount contracted by any associate is no more than about three times the amount contracted by any other associate (see at least 802 and 803)..

As to Claim 35 *Besley* teaches that an associate is eligible to receive an award if the associate is not delinquent in any monthly payments (see at least 802 and 803)..

As to Claim 37, a computer program adapted to implement the method of claim 301, said program being disposed in a tangible medium is an obvious variation of claim 301 (renumbered as Claim 22).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.

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4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 20, 25-31, and 36 are rejected under 35 U.S.C. 103(a) as being unpatentable over the publication The Economics of Rotating Savings and Credit Associations by Besley et al. (hereinafter *Besley*), and further in view of the publication The Group Savings Resource Book by FAO (hereinafter *FAO*). It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the features of *FAO* into that of *Besley* since both deal with rotating saving and credit associations.

As to Claim 20, *FAO* teaches that the periods of the first and second periodic basis is monthly (see at least page 25, 31, and 34).

As to Claim 25, *FAO* teaches that the fund is managed by a first organization, and wherein each associate pays the first organization a fixed percentage of the amount contracted by that associate as a registration fee (see at least page 34 and 36).

As to Claim 26, *FAO* teaches that the fund is managed by a first organization, wherein the monthly payment made by each associate includes an administrative fee, and wherein the administrative fee is a percentage of the monthly payment increases with the contracted amount (see at least page 34 and 36).

As to Claim 27, *FAO* teaches that the administrative fee is within the range of about 5.5 to about 7.5% of the monthly payment made by the associate (see at least page 34 and 36).

As to Claim 28, *FAO* teaches that the monthly payment owed by an associate includes a component which is calculated by dividing the sum of the contracted amount and an actualization factor by the number of months in the term (see at least page 34 and 36).

As to Claim 29, *FAO* teaches that on a periodic basis, the contracted amount is increased by applying the actualization factor to the previous contracted amount (see at least page 34, 36, and 37).

As to Claim 30, *FAO* teaches that the periodic basis is essentially annual, and wherein the actualization factor is within the range of about 1 to about 5% of the contracted amount (see at least page 34, 36, and 37).

As to Claim 31, *FAO* teaches that the actualization factor reflects the increase in value of the asset or service being procured by the associate (see at least page 34, 36, and 37)..

As to Claim 36, *FAO* teaches that the distribution of rewards to associates commences no later than four months after the beginning of the term (see at least page 25, 31, and 34).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to IRENE KANG whose telephone number is (571)270-3611. The examiner can normally be reached on 8am-5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571)272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/
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10/16/2008